

VZCZCXRO9340
PP RUEHBC RUEHDBU RUEHDE RUEHDIR RUEHKUK
DE RUEHKB #1072/01 2361352
ZNY CCCCC ZZH
P 241352Z AUG 07
FM AMEMBASSY BAKU
TO RUEHC/SECSTATE WASHDC PRIORITY 3776
INFO RUCNCIS/CIS COLLECTIVE PRIORITY
RUCNIRA/IRAN COLLECTIVE PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RHMFISS/CDR USEUCOM VAIHINGEN GE PRIORITY
RUEHDIR/IRAN RPO DUBAI PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 BAKU 001072

SIPDIS

SIPDIS

E.O. 12958: DECL: 08/23/2017
TAGS: [ENRG](#) [ETRN](#) [PBTS](#) [PGOV](#) [PREL](#) [IR](#) [AJ](#)
SUBJECT: PRESIDENTIAL FOREIGN POLICY ADVISOR PROVIDES
READOUT ON IRANIAN PRESIDENT AHMADINEJAD'S VISIT TO BAKU

REF: A. STATE 98631
[1](#)B. BAKU 1017
[1](#)C. BAKU 1052

BAKU 00001072 001.2 OF 003

Classified By: Ambassador Anne E. Derse for reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: According to Presidential Foreign Policy Advisor Novruz Mammadov, Iranian President Ahmadinejad sought to use his August 21-22 visit to Baku to counter his international isolation. Mammadov said the visit - including four new bilateral agreements and a joint declaration - served Azerbaijan's economic and cross-border interests. Ahmadinejad sought to play a larger role in the resolution of the Nagorno-Karabakh conflict and proposed that Azerbaijan and Iran cooperate on the transportation of Turkmen gas, initiatives Mammadov said the Government of Azerbaijan (GOAJ) rejected as not in accordance with Azerbaijan's strategic interests. With regard to Iran's nuclear programs, Mammadov said that President Aliyev had urged Ahmadinejad that "we must act in conformity with the international community if we want peace, security, and prosperity in the region." Deputy Transport Minister Musa Pahanov separately downplayed the importance of two of the transportation agreements, noting that key details remained to be resolved and, until the Nagorno-Karabakh issues is solved, Azerbaijan has no choice but to work with Iran on these issues. Ahmadinejad's visit was in keeping with the overall bilateral relationship: low-key and focused on pragmatic border issues, with the Azerbaijanis resisting Iranian political and energy overtures. End Summary.

Presidential Foreign Policy Advisor Mammadov on the Visit

[1](#)2. (C) On August 24, Presidential Foreign Policy Advisor Novruz Mammadov provided the Ambassador with a read out of Iranian President Ahmadinejad's August 21-22 visit to Baku, noting that he had no information to share from the Presidents' tete-a-tete. Characterizing the visit as "satisfactory and important," Mammadov said that the visit went well for both countries. Mammadov said that Ahmadinejad was seeking any opportunity to make foreign visits "given the situation he is in," referring to Iran's increasing political isolation and that was the main goal of his visit to Azerbaijan. Outlining Iran's repeated requests for an official visit - in March, May, and again in June - Mammadov said that it was impossible for Azerbaijan to keep turning down the Iranian requests. Characterizing Azerbaijan's relationship with its larger neighbor as "complicated" and pointing out that "Iran plays a great role in Azerbaijan,"

Mammadov said that he was pleased with the five agreements signed during the visit. Mammadov said that Azerbaijan was interested in all of the five agreements - a joint declaration reflecting on the Nagorno-Karabakh conflict (emailed to NEA/IR and EUR/CARC separately) and four MOUs dealing with "minor economic issues and Nakhchivan" - because they "served our purposes."

¶3. (C) Mammadov described the Iranian position during the visit as "very simple and straightforward." According to Mammadov, Ahmadinejad stressed that Iran was interested in peace, security, and stability in the region, "acting as if he was looking for partners in this." In response, Mammadov said that President Aliyev brought up Azerbaijan's position on the Iranian nuclear program, with Aliyev telling Ahmadinejad that "we must act in conformity with the international community if we want peace, security, and prosperity in the region."

¶4. (C) According to Mammadov, Ahmadinejad wanted greater cooperation in the energy sector, suggesting that moving Turkmen natural gas through Iran and Azerbaijan in order to reach world markets would be "very lucrative" for both countries. While not surprised by Ahmadinejad's interest in greater energy cooperation, Mammadov was struck that Ahmadinejad had presented this proposal "in a more concrete way," something Mammadov attributed to interest from the Turkmen side. Mammadov said that Ahmadinejad had "close relations" with Turkmenistan's President, adding that this was "evident from his remarks." Mammadov told the Ambassador "I think it is important for us all - the EU, US, and Turkey - to continue working with Turkmenistan due to the great potential and opportunities located there, and to counter Iranian influence. Mammadov said, "Azerbaijan did not respond" to Ahmadinejad's request because "they remained political ideas hanging in the air" and "we (Azerbaijan)

BAKU 00001072 002.2 OF 003

understand accepting this would undermine the strategic choice we've made."

¶5. (C) Mammadov said that Ahmadinejad demonstrated "an active position" on the Nagorno-Karabakh conflict, indicating a clear desire to become more involved in the issue. Although the Azerbaijani side was not surprised by this overture from the Iranians because Iran had previously made several similar proposals, Mammadov was surprised that Iran's expression of interest "was presented so openly and clearly at the presidential level." Telling the Azerbaijanis that the West will never help Azerbaijan resolve the problem, Iran claimed that it could be more efficient than the OSCE because it had good relations with Armenia. Characterizing the Iranian proposal as "bad" because it contradicting Azerbaijan's strategic interests, Mammadov said that President Aliyev told Ahmadinejad that he was hopeful that Nagorno-Karabakh could be resolved within the international framework, adding that while additional initiatives were not welcome, assistance was. Commenting that Iran knows that resolving the Nagorno-Karabakh conflict is Azerbaijan's top foreign policy objective, Mammadov said that he believed the Iranians were simply "using it for maneuvering - we will not accept their overtures."

¶6. (C) Mammadov said that Ahmadinejad did not show much interest in the Qabala radar station in any of the meetings that Mammadov attended, but noted that he was not in the two Presidents' one-on-one meeting. Concerning the upcoming Summit of Caspian Littoral Heads of State, Mammadov said that President Aliyev does not wish to attend, but would feel obliged to if the other heads of state did. According to Mammadov, Ahmadinejad told Aliyev that the other heads of state had agreed to attend, including the President of Kazakhstan. However, Mammadov maintained no firm date or place had been decided. While acknowledging that discussions had taken place concerning the visa regime between the two countries, Mammadov said that no agreement had been reached

and "we want to keep it that way."

Most Agreements Related to Transportation

17. (C) As reported reftel, several of the agreements signed during the visit focused on transportation. Deputy Transportation Minister Musa Panahov, who negotiated the transportation agreements with the Islamic Republic of Iran (IRI), characterized the two Memoranda of Understanding (MOU) as "very beneficial for Azerbaijan." Under the first agreement, the GOAJ and the IRI agreed to construct a new bridge at the Culfa border crossing. Panahov said that the current bridge has severe structural damage and is unusable. Under the MOU, the Iranians agreed to finance design costs; the two governments will share construction costs "50-50." Under the second MOU, the two governments agreed to open a passenger bus service between the Azerbaijani exclave of Nakhchivan and Baku. Panahov stressed that the MOU was an expression of intent only, adding that it did not address any of the key operational details such as the route or visa requirements. Under the MOU, the two sides agreed to work out these details over the next two months. Panahov was skeptical that they would be able to do so, noting that the visa questions were especially problematic.

18. (C) Panahov dismissed press reports of a new north-south railroad agreement as an exaggeration. The Iranians made a surprise proposal during the visit to link the Iranian city of Kazvin with the Azerbaijani city of Astara, Panahov said, adding that this stretch of railroad is the missing link in the Iranian-Russian plan to build a north-south corridor to the Persian Gulf. Panahov said the GOAJ agreed to consider the proposal if the Iranians would build the stretch between the Iranian cities of Kazvin and Rasht; Azerbaijan would then build the stretch between Astara and Rasht. Panahov was skeptical that the Iranian Government would agree to these terms. He also noted that, from Azerbaijan's perspective, the IRI's proposed north-south corridor would soon be made irrelevant by the Baku-Tbilisi-Kars railroad, which will reach the Mediterranean Sea in a much shorter distance.

19. (C) Panahov was skeptical of Iran's overall intentions toward Azerbaijan, pointedly noting that Iran is one of Armenia's largest trading partners. Referring to Nakhchivan's isolation between Armenia and

BAKU 00001072 003.2 OF 003

Armenian-occupied territories, Panahov commented that "Nakhchivan is our biggest transportation problem, and we have to find ways to provide services to Nakhchivan." Until the Nagorno-Karabakh conflict is resolved, he said that Azerbaijan has no choice but to work with Iran on these issues.

Local Analysts Downplay Visit's Significance

10. (C) Political analysts still are digesting the substance of the visit. Local political commentator Ilgar Mammadov told us the visit was not very important, downplaying the substance of the five agreements (four memorandums; one joint declaration). He characterized the four memorandums on transportation and economic cooperation as part of normal state-to-state interaction. Asked about the broader joint declaration, Mammadov argued that this was a typical Soviet-style agreement. Mammadov speculated that if there was a more important private deal reached during the visit, it likely would involve Iran making concessions on Caspian delimitation in exchange for Azerbaijan not supporting any U.S. attempts in the UN to further sanction Iran. Despite Mammadov's assertion that no date had been agreed, President Ahmadinejad announced on August 22 that the

next meeting of Caspian littoral states will be in Tehran on October 18. He also announced that all five Caspian leaders have confirmed their participation. Respected commentator Rasim Musabayov also argued that the visit probably lacked substance, given the limited importance of the public agreements. Musabayov observed that the visit was part of President Ahmadinejad's broader effort to reach out to a variety of countries. Musabayov, too, speculated that Ahmadinejad may have leaned on Aliyev not to support any further attempts by the U.S. to sanction Iran through the UN.

Comment

11. (C) Based on Mammadov's readout and press coverage of the visit, it appears that the GOAJ lived up to its promises that it would keep Ahmadinejad's visit low-profile. In general, the visit was in keeping with Azerbaijan's complex relationship with Iran. While the GOAJ has a real need to work out daily border and transportation issues with its much larger neighbor, it is rightfully wary of Iranian attempts to meddle in Azerbaijan's internal affairs or regional developments of critical importance, such as the Nagorno-Karabakh conflict or energy security. Mammadov in his readout underscored the point that closer energy or Nagorno-Karabakh cooperation with Iran would undermine Azerbaijan's "strategic choice." We are encouraged that President Aliyev engaged President Ahmadinejad on Iran's nuclear program, pointing out to his guest that working with the international community was critical to ending the impasse. We have requested meetings with Foreign Minister Mammadyarov and President Aliyev to gain further perspective. DERSE